

USAID KUZA

The goal of USAID Kuza is to work through local systems to improve the enabling environment for economic opportunities, accelerate public-private investment, expand, and deepen county-level capacity to build resilience, foster self-reliance, and reduce the need for humanitarian assistance. The program works in ten arid and semi-arid counties of northern Kenya (Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir and West Pokot).

USAID Kuza manages the Impact for Northern Kenya Fund ("the Fund"), which lends capital to financial institutions for onlending to micro, small, and medium-sized enterprises in counties within Kenya's Frontier Counties Development Council (FCDC) region. USAID Kuza is implemented by ACDI/VOCA, in close collaboration with Frontier Counties Development Council (FCDC) and select financial institution partners.



Objectives

- Facilitate an enabling environment for expanded economic opportunities in areas of recurring crisis for women, youth, and marginalized groups.
- Strengthen institutional and governance capacity of county governments and non-governmental organizations.
- Develop extensive and robust private sector partnerships to expand investment, including the development and management of the Fund aimed at increasing financial access to micro, small and medium enterprises (MSMEs) in the FCDC counties.
- Advance progress and accelerate outcomes by integrating monitoring and evaluation with shared learning.

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BUDGET

USD \$22.5 million

DURATION

5 years (2019-2024)

IMPLEMENTING PARTNERS

ACDI/VOCA, in close collaboration with Frontier Counties Development Council (FCDC)

IMPACT FOR NORTHERN KENYA FUND

Through a co-creation process, USAID and key stakeholders developed a \$14 million fund to increase access to financial services in northern Kenya.

GEOGRAPHIC AREAS

Garissa, Isiolo, Lamu, Mandera, Marsabit, Samburu, Tana River, Turkana, Wajir, and West Pokot Counties



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Methodology and Approach

USAID Kuza builds upon the capacity of county governments and non-governmental organizations and supports MSME-driven development by:

- **Financing Sustainability** The program supports the FCDC counties by increasing their capacity to govern effectively and utilize public resources and attract private capital.
- Engaging the Private Sector The Fund mobilizes and leverages private capital to support institutions, enterprises, and individuals that foster economic and social impact in northern Kenya.
- Redefining Relationships with County Governments The Fund encourages county participation in the development of deal pipelines, philanthropic fundraising, and collateral agreements, helping the counties' capacity to attract and mobilize investment capital.

Key Achievements (2021)

- Passed the Frontier Counties Development Council (FCDC) bill, making the region Kenya's first legal economic bloc.
- Co-developed the FCDC Counties Regional Peace and Cohesion Policy to address peacebuilding and conflict management in the counties and establish regional, county, and community responsibilities.
- Provided technical assistance to over 700 county officials to build the counties' capacity to govern effectively, manage public resources, plan for and mitigate against disasters, facilitate access to capital, and attract investment capital.
- Developed the Impact for Northern Kenya Fund, USAID Kenya, and East Africa's first impact investment fund, and the provision of two loans to Kenyan financial institutions to support MSMEs in the FCDC region.

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